

Message Text

CONFIDENTIAL

PAGE 01 PORT L 00875 01 OF 02 191352Z
ACTION AF-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 AGRE-00 DODE-00 PM-05
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FM AMEMBASSY PORT LOUIS
TO SECSTATE WASHDC 6928
INFO AMEMBASSY VICTORIA

C O N F I D E N T I A L SECTION 1 OF 2 PORT LOUIS 0875

E.O. 11652: GDS
TAGS: ECON ELAB PINT MP
SUBJECT: MAURITIUS WEEKLY REVIEW - AUGUST 19

REF: PORT LOUIS 0853

SUMMARY. PORT LOUIS 0872 (NOTAL) PROVIDES A SUMMARY OF THIS CABLE. END SUMMARY

1. IN A SURPRISE MOVE, PRIME MINISTER RAMGOOLAM CONVOKED THE NATIONAL ASSEMBLY INTO A SPECIAL SESSION ON AUGUST 16 TO DEAL WITH THE IMPASSE IN THE TRIPARTITE WAGE INCREASE NEGOTIATIONS (REFTEL). THIS IS THE FIRST TIME SINCE INDEPENDENCE THAT THERE HAS BEEN SUCH AN EXTRA-ORDINARY SESSION DURING AN ASSEMBLY RECESS. THE SESSION WAS CALLED TO CONSIDER ONLY ONE MATTER: A RESOLUTION TO BE INTRODUCED BY THE P.M. APPOINTING A SELECT COMMITTEE OF NINE MEMBERS OF THE HOUSE "TO EXAMINE FURTHER THE MATTERS IN DISPUTE AND TO REPORT THEIR OPINION FOR THE INFORMATION AND ASSISTANCE OF THE ASSEMBLY." THE MAURITIAN MILITANT MOVEMENT (MMM) PAPER, LE MILITANT, PRAISED THE PRIME MINISTER'S ACTION, WHILE CLAIMING IT AS A VICTORY FOR THE PARTY (WHOSE PRESIDENT, JUGNAUTH, CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT L 00875 01 OF 02 191352Z

HAD ASKED THE P.M. TO CONVOKE THE ASSEMBLY INTO SPECIAL SESSION TO DEAL WITH THIS ISSUE.) LE POPULAIRE, ORGAN OF THE COALITION PARTNER SOCIAL DEMOCRATIC PARTY (PMSD) WAS HIGHLY CRITICAL OF THE MOVE, CALLING IT A SURRENDER TO THE MMM TRADE UNIONS.

2. THE NATIONAL TRADE UNION FRONT MET FOLLOWING

ANNOUNCEMENT OF THE P.M.'S ACTION AND DECIDED AGAINST STRIKE ACTION. THE MMM-CONTROLLED FEDERATION, THE GENERAL WORKERS FEDERATION (GWF), DECIDED TO GO ALONG AND CALLED OFF A ONE-DAY "SYMBOLIC" STRIKE IT HAD SCHEDULED FOR AUGUST 16. MEANWHILE, THE GOVERNMENT AND THE EMPLOYERS ARE GRANTING THE WAGE INCREASES PROPOSED BY THE GOVERNMENT AS AN INTERIM MEASURE. THE UNIONS ARE CALLING THIS AN EFFORT TO BUY OFF WORKER SENTIMENT FOR STILL GREATER INCREASES THE UNIONS HAVE DEMANDED. THE EMPLOYERS WANT THE EXPORT PROCESSING ZONE TO BE EXEMPTED FROM THE MANDATORY INCREASES AS THEY SAY THE FREE ZONE INDUSTRIES CANNOT AFFORD ANY INCREASES.

3. TWO MMM-AFFILIATED SUGAR INDUSTRY UNIONS DISASSOCIATED THEMSELVES FROM THE COMMON LINE OF THE NATIONAL TRADE UNION FRONT AND THREATNED TO STRIKE AT THE END OF THE WEEK IF THEIR DEMANDS WERE NOT MET. MMM SECRETARY GENERAL BERENGER DECLINED TO ADDRESS THEIR RALLY AFTER HEARING THE VIOLENT CRITICISMS OF THE NATIONAL FRONT POSITION. THE UNIONS SUBSEQUENTLY CALLED OFF THEIR STRIKE.

4. THE ASSEMBLY MET ON AUGUST 16 AND ADOPTED RAMGOOLAM'S MOTION UNANIMOUSLY, AFTER IT HAD BEEN AMENDED, AT MMM INITIATIVE, SO THAT THE SELECT COMMITTEE IS TO REPORT TO THE ASSEMBLY IN TWO WEEKS' TIME. ON THE BASIS OF CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PORT L 00875 01 OF 02 191352Z

SUGGESTIONS BY GOVERNMENT AND OPPOSITION, THE SPEAKER APPOINTED THE NINE MEMBERS OF THE COMMITTEE, WHICH HAS A NICE POLITICAL PARTY-COMMUNAL-RELIGIOUS BALANCE: THE MINISTERS OF FINANCE, AGRICULTURE, EDUCATION, LABOR AND HOUSING FOR THE GOVERNMENT SIDE, AND DEPUTIES BERENGER, BHAYAT, RAMSEWAK AND LEE CHEONG LEM FOR THE MMM. RAMGOOLAM SPOKE IN A CONCILIATORY SPIRIT, PRAISING OPPOSITION LEADER JUGNAUTH FOR HAVING PROPOSED THE CONVENING OF THE ASSEMBLY, AND GENERALLY OFFERING AN OLIVE BRANCH TO THE TRADE UNIONS AND THE MMM PARTY. RAM REFERRED TO A MINORITY WHO WISH TO PROBOKE A CONFRONTATION IN ORDER "TO BRING THE GOVERNMENT TO ITS KNEES," AND INSISTED THAT THE GOVERNMENT AND LABOR PARTY HAD ALWAYS PROMOTED THE INTERESTS OF THE WORKERS OF THE COUNTRY. RAMGOOLAM SAID CERTAIN PARTIES (IN THE MMM) ARE TRYING TO MAKE POLITICAL CAPITAL OUT OF A MATTER OF INDUSTRIAL RELATIONS. HE ASSAILED BERENGER FOR MAKING STATEMENTS THAT HE WOULD TAKE POWER BY DECEMBER, THROUGH ELECTIONS OR BY FORCE, AND WONDERED WHETHER ANY OTHER COUNTRY WOULD TOLERATE SUCH THREATS.

5. ALTHOUGH AGRICULTURE MINISTER BOOLELL COUNSELED THE

MEMBERS TO AVOID LONG, PARTISAN TIRADES, SEVERAL MMM LEADERS CASTIGATED THE GOVERNMENT AT LENGTH. JUGNAUTH, AS USUAL THE MOST MODERATE MMM SPEAKER, SAID THE MMM IS A RESPONSIBLE PARTY WHICH DOES NOT WANT TO PLACE THE COUNTRY'S ECONOMY IN PERIL. "WE ARE THE ALTERNATIVE GOVERNMENT AND WE DON'T WANT TO INHERIT RUINS," HE SAID. BUT, HE ADDED, THE LABOR PARTY HAS SACRIFICED THE WORKERS IT CLAIMS TO BE HELPING. ALL MMM SPEAKERS CHARGED THAT THE GOVERNMENT HAD SIDED WITH THE CAPITALIST EMPLOYERS IN THE TRIPARTITE NEGOTIATIONS. GWF LEADER RAMSEWAK DISPUTED THE P.M'S CLAIM THAT MAURITIUS IS A PARADISE, ALLEGING THAT IT IS A PARADISE FOR CAPITALISTS ONLY. BERENGER WAS BITING AND SARCASTIC, ACCUSING THE P.M. OF HAVING INDULGED IN "IRRESPONSIBLE TRIVIALITIES."

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PORT L 00875 01 OF 02 191352Z

GIVING A LONG CATALOGUE OF GOVERNMENT FAILURES TO KEEP ITS ELECTORAL PROMISES, BERENGER OFFERED NUMEROUS STATISTICS TO PROVE THAT THE COUNTRY'S ECONOMY IS IN VERY BAD SHAPE DESPITE RAM'S CLAIMS THAT EVERYTHING IS ROSY. THE MMM LEADER ASKED HOW THE P.M. DARED TALK OF "UNPRECEDENTED PROSPERITY" WHILE INSISTING THE GOVERNMENT CANNOT AFFORD TO GRANT REASONABLE WAGE INCREASES TO THE WORKERS. IT IS SHAMEFUL FOR A PARTY WHICH CALLS ITSELF SOCIALIST, HE ASSERTED, TO HAVE DECIDED TO GRAFT ONLY A "CAPITALIST MONOCULTURE" ECONOMIC STRUCTURES AS FRAGILE AS A FREE ZONE AND A TOURISM INDUSTRY. FOR BERENGER IT ALL ADDS UP TO "THE CRISIS OF THE CAPITALIST SYSTEM." HE AND OTHER MMM SPEAKERS BLAMED THE GOVERNMENT FOR NOT HAVING TAKEN ADVANTAGE OF THE YEARS OF HIGH SUGAR PRICES TO ESTABLISH THE ECONOMY ON A FIRM FOUNDATION. BHAYAT INSISTED THAT THE MMM MEMBERS OF THE SELECT COMMITTEE HAVE THE RIGHT TO FILE A MINORITY REPORT.

CONFIDENTIAL

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PAGE 01 PORT L 00875 02 OF 02 191433Z
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FM AMEMBASSY PORT LOUIS

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CONFIDENTIAL SECTION 2 OF 2 PORT LOUIS 0875

6. (COMMENT: RAMGOOLAM'S MOTIVE IN CALLING THE ASSEMBLY INTO SESSION WAS MOST LIKELY TO ATTEMPT TO DE-FUSE WHAT HE WAS A DEVELOPING CONFRONTATION BETWEEN THE GOVERNMENT AND THE TRADE UNIONS, WHICH WERE THREATENING TO CALL A GENERAL STIKE OF INDEFINITE DURATION.

RAMGOOLAM TOLD THE AMBASSADOR THAT HE "HAD TO DO IT" AS THERE WOULD HAVE BEEN A STRIKE, WHICH WOULD HAVE BEEN "VERY DESTRUCTIVE" FOR THE COUNTRY. THE MMM HAS NATURALLY PROCLAIMED A VICTORY (LE MILITANT'S HEADLINE: "RAMGOOLAM ACCEPTS THE CONDITIONS OF THE MMM").

FINANCE MINISTER RINGADOO AND LABOR MINISTER MOHAMED, WHO LED THE GOVERNMENT SIDE IN THE TRIPARTITE NEGOTIATIONS, ARE PROBABLY VERY UNHAPPY WITH THE PRIME MINISTER'S MOVE, WHICH IN A SENSE REPRESENTS A CAPITULATION TO THE MMM AND THE NATIONAL TRADE UNION FRONT. NEITHER MINISTER UTTERED A WORD IN THE ASSEMBLY DEBATE. ONE HESITATES TO QUESTION THE JUDGMENT OF A POLITICIAN OF RAMGOOLAM'S EXPERIENCE AND PROVEN SHREWDNESS, BUT IN TURNING TO THE ASSEMBLY HE HAS POLITICIZED THE WAGE DISPUTE AND MAY HAVE PLAYED INTO THE MMM'S HANDS. IN THE SELECT COMMITTEE THE GOVERNMENT MEMBERS WILL BE REPRESENTING THE GOVERNMENT AND THE EMPLOYERS, WHILE THE OPPOSITION MMM GROUP,

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT L 00875 02 OF 02 191433Z

LED BY LABOR LEADERS BERENGER AND RAMSEWAK, WILL BE TAKING THE SIDE OF THE WORKERS. SHOULD THE COMMITTEE'S WORK END IN AN IMPASSE ALSO, AS SEEMS LIKELY, THE CHANCES OF A STRIKE COULD INCREAS, AND THE MMM WILL EMERGE AS THE SOLE NATIONAL CHAMPIONS OF THE WORKING CLASS. END COMMENT.)

7. THE SELECT COMMITTEE BEGAN SITTING ON AUGUST 17 AND WILL REPORT BACK TO THE ASSEMBLY ON THE 30TH. RINGADOO WAS ELECTED CHAIRMAN OF THE COMMITTEE.

8. DURING A RECESS OF THE SPECIAL ASSEMBLY SESSION, ELIEZER FRANCOIS, MINISTER OF HOUSING AND LEADER OF THE PMSD PARLIAMENTARY GROUP, AND JACK BIZLALL, MMM DEPUTY AND TRADE UNIONIST, ENGAGED IN AN EXCHANGE OF

INSULTS, IN THE CORRIDORS, WITH FRANCOIS SHOWING THE REVOLVER HE WAS CARRYING. WHEN HE LATER REVEALED IN THE ASSEMBLY THAT HE WAS CARRYING THE WEAPON IN HIS POCKET, THE SPEAKER ORDERED HIM TO LEAVE THE HALL AND RETURN IN A DISARMED CONDITION. FRANCOIS SAID HE HAS A PERMIT TO CARRY THE PISTOL TO PROTECT HIMSELF FROM MMM PEOPLE WHO HAVE THREATENED TO DO HIM INJURY.

9. IN THE COURSE OF THE WAGE NEGOTIATIONS THE EMPLOYERS FEDERATION HAS MADE SEVEN DEMANDS, MAINLY DESIGNED TO CUT DOWN ON ABSENTEEISM AND TO INCREASE PRODUCTIVITY. THE UNIONS HAVE LABELLED THESE PROPOSALS RETROGRADE AND A "PROVOCATION." THE EMPLOYERS WANT: A MORATORIUM ON WAGE INCREASES FOR ONE YEAR; REDUCTION IN THE NUMBER OF PUBLIC HOLIDAYS FROM 23 TO 11; NO PAYMENTS FOR THE FIRST TWO DAYS OF SICK LEAVE; AN 80 PERCENT "PRESENCE" RATE TO QUALIFY FOR ANNUAL BONUSES; NO "14TH MONTH" BONUS; A HIGHER DOMESTIC SUGAR

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PORT L 00875 02 OF 02 191433Z

PRICE; NO GENERAL FREE ZONE WAGE INCREASE.

10. THE GOM HAS BANNED THE IMPORTATION OF SECOND HAND MOTOR VEHICLES EFFECTIVE AUGUST 12. THE REASON WAS NOT ANNOUNCED, BUT IS PROBABLY TO REDUCE THE LEVEL OF IMPORTS TO CONSERVE SCARCE FOREIGN EXCHANGE. THE LEFTIST PAPERS SAY THE MEASURE WAS TAKEN AT THE INSTANCE OF THE IMPORTERS OF NEW CARS, WHO DON'T WANT COMPETITION.

11. ALL SOCIAL SECURITY PAYMENTS HAVE BEEN INCREASED BY THE GOVERNMENT EFFECTIVE JULY IN KEEPING WITH THE DECISION TO RAISE WAGES GENERALLY.

12. BECAUSE OF IMPROVEMENTS IN THE PORT SITUATION, THE MARITIME COMPANIES HAVE REDUCED THE FREIGHT SURCHARGE IMPOSED SOME MONTHS AGO FROM 35 PERCENT TO 25 PERCENT.

13. AT A PRESS CONFERENCE YOUNG LABOR PARTY DEPUTY HARISH BOODHOO ANNOUNCED THAT HE IS MAINTAINING HIS CANDIDACY FOR THE POST OF PARTY SECRETARY GENERAL (AGAINST THE INCUMBENT, EDUCATION MINISTER KHER JAGATSINGH) DESPITE HEAVY PRESSURE THAT HE WITHDRAW. HE SAID HE HAS EVEN BEEN THREATENED WITH VIOLENCE. THE PARTY ELECTION WILL BE HELD AUGUST 28. JAGATSINGH HAS BEEN SECRETARY GENERAL OF THE LABOR PARTY FOR THE PAST 15 YEARS.

14. LONG-TIME POLITICIAN SOOKDEO BISSOONDOYAL DIED OF A HEART ATTACK AT AGE 68 ON AUGUST 18. LEADER OF THE

INDEPENDENT FORWARD BLOC (IFB) PARTY, HE HAD SERVED IN THE NATIONAL ASSEMBLY CONTINUOUSLY FROM 1948 UNTIL HE LOST HIS SEAT LAST DECEMBER, WHEN HIS PARTY FAILED TO ELECT A SINGLE CANDIDATE. FIERCELY INDEPENDENT, DEDICATED TO THE UNDER-PRIVILEGED, HONEST AND PRINCIPLED BUT RIGID, BISSOONDOYAL PLAYED A MAJOR ROLE IN THE 50'S

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PORT L 00875 02 OF 02 191433Z

AND YP'S IN FIGHTING FOR THE COUNTRY'S INDEPENDENCE, UNIVERSAL SUFFRAGE AND SOCIAL REFORMS, AND AGAINST ALL FORMS OF POLITICAL CORRUPTION. HE WAS USUALLY IN OPPOSITION, THOUGH HE FORMED A COALITION WITH RAMGOOLAM'S LABOR PARTY AT THE TIME OF INDEPENDENCE. WITH BISSOONDOYAL'S DEATH THE IFB, MORIBUND SINCE DECEMBER, WILL DISAPPEAR FROM THE POLITICAL SCENE.

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Message Attributes

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